REMARKS/ARGUMENTS

Applicant has reviewed and considered the Final Office Action mailed on April 23, 2004, and the references cited therewith.

Claims 1-4, 7, 11, 14, 19, 20, and 26 were amended. Applicant amended claims 1-4, 7, 11, 14, 19, 20, and 26 to more clearly recite the claimed subject matter. Applicant respectfully submits that no new matter has been added with the amendments and that the specification as originally filed supports the amendments. Claims 1-26 are pending in this application.

§103 Rejection of the Claims

Claims 1-10 were rejected under 35 USC § 103(a) as being unpatentable over U.S. Patent No. 4,839,804 to Roberts et al. (hereinafter "Roberts") in view of U.S. Patent No. 5,523,942 to Tyler, et al. (hereinafter "Tyler").

Claims 11-25 were rejected under 35 USC § 103(a) as being unpatentable over U.S. Patent No. 6,330,541 to Meyer et al. (hereinafter "Meyer") in view of Tyler.

Claim 26 was rejected under 35 USC § 103(a) as being unpatentable over Roberts in view of U.S. Patent No. 5,966,693 to Burgess (hereinafter "Burgess"). Applicant addresses the rejections as follows.

Claim 1

Applicant has amended claim 1. Insofar as the rejection applies to claim 1, Applicant respectfully traverses the rejection.

In rejecting independent claim 1, the Examiner cites both Roberts and Tyler, stating that Roberts describes calculation of a first death benefit value and that Tyler describes calculating the second death benefit value based on a loan value added to an interest formula value.

Roberts appears to describe a data processing system that implements an insurance program to protect an individual from the risk that a person who intends to purchase floating rate zero coupon notes for the individual dies before funding the purchase fully (see Col. 3, lines 56-65). Tyler appears to describe calculating a total policy death benefit based on outstanding "loans against policy values". (See Tyler,

column 38, line 25). However, neither Tyler nor Roberts describe a method of calculating two separate and distinguishable death benefits based on a first death benefit value (i.e. beneficiary award) and a second death benefit value indexed to a value of a loan used to finance payment of premiums due on the insurance policy within one financial product.

In contrast, the Applicant's independent claims describe a method that includes, besides other things, calculating a first death benefit value (i.e. beneficiary award) and a second death benefit value which is indexed to a value of a loan used to finance a payment of premiums due on the insurance policy, and reconciling an account value of the insurance policy and separate collateral values provided by the insured with the accruing value of the loan, wherein upon a death of the insured the second death benefit pays off the loan used to finance the payment of premiums due on the insurance policy such that the first death benefit value remains undiminished at the death of the insured. The end result is that upon the death of the insured, the insurance policy has not cost the insured any money.

In contrast, both Tyler and Roberts describe methods that cost the insured money. For example, in Tyler a loan is taken "against policy values". So, an unpaid loan would reduce the total monetary benefit to the beneficiary upon the death of the insured. In Roberts, the insured pays money for the premiums on the policy.

Accordingly, Tyler and Roberts, alone or in combination, do not contain each and every element of Applicant's independent claim 1. As such, the Applicant believes that independent claim 1, as well as those which depend therefrom, are in condition for allowance. Applicant respectfully requests consideration of the same upon review of this response.

Claim 11

Applicant has amended claim 11. Insofar as the rejection applies to claim 11, Applicant respectfully traverses the rejection.

In the rejection of independent claim 11, the Examiner cites both Meyer and Tyler, stating that Meyer describes calculation of a first death benefit value and Tyler describes calculating the second death benefit value based on a loan value added to an interest formula value.

Meyer appears to describe a calculation of policy cash values (i.e. first, second and third) for predetermined points in time for management of the policy's death benefit. (See Meyer, column 2, lines 20-65). Tyler appears to describe calculating a total policy death benefit based on outstanding "loans against policy values". (See Tyler, column 38, line 25). However, neither Tyler nor Meyer describe a method of calculating two separate and distinguishable death benefits based on a first death benefit value (i.e. beneficiary award) and a second death benefit value which is indexed to a value of a loan used to finance a payment of premiums due on the insurance policy within one financial product.

Applicant's independent claim 11, however, describes a method that includes, besides other things, reconciling an account value of the insurance policy and separate collateral values provided by the insured with the accruing value of the loan, wherein upon a death of the insured the second death benefit pays off the loan used to finance the payment of premiums due on the insurance policy such that the first death benefit value remains undiminished at the death of the insured. The end result is that upon the death of the insured, the insurance policy has not cost the insured any money.

In contrast, both Tyler and Meyer describe methods that cost the insured money. For example, in Tyler a loan is taken "against policy values". So, an unpaid loan would reduce the total monetary benefit to the beneficiary upon the death of the insured. In Meyer, the insured pays money for the premiums on the policy.

Accordingly, Tyler and Meyer, alone or in combination, do not contain each and every element and limitation of Applicant's independent claim 11. As such, the Applicant believes that independent claim 11, as well as those which depend therefrom, are in condition for allowance. Applicant respectfully requests consideration of the same upon review of this response.

Claim 20

Applicant has amended claim 20. Insofar as the rejection applies to claim 20, Applicant respectfully traverses the rejection.

In the rejection of independent claim 20, the Examiner cites both Meyer and Tyler, stating that Meyer describes calculation of a first death benefit value and

Tyler describes calculating the second death benefit value based on a loan value added to an interest formula value.

Meyer appears to describe a calculation of policy cash values (i.e. first, second and third) for predetermined points in time for management of the policy's death benefit. (See Meyer, column 2, lines 20-65). Tyler appears to describe calculating a total policy death benefit based on outstanding "loans against policy values". (See Tyler, column 38, line 25).

Applicant's independent claim 20, however, describe a method that includes, besides other things, calculating a total death benefit based on a first death benefit value (i.e. beneficiary award) and a second death benefit value which is indexed to a value of a loan used to finance a payment of premiums due on the insurance policy within one financial product. In contrast, the combination of Tyler and Meyer fails to teach or suggest, besides other things, calculating a second death benefit value which is indexed to a value of a loan used to finance a payment of premiums due on the insurance policy, as recited in claim 20.

Accordingly, Tyler and Meyer, alone or in combination, do not contain each and every element and limitation of Applicant's independent claim 20. As such, the Applicant believes that independent claim 20, as well as those which depend therefrom, are in condition for allowance. Applicant respectfully requests consideration of the same upon review of this response.

Claim 26

Applicant has amended claim 26. Insofar as the rejection applies to claim 26, Applicant respectfully traverses the rejection.

In rejecting independent claim 26, the Examiner cites both Roberts and Burgess, stating that Roberts describes calculation of a first death benefit value and that Burgess describes calculating the second death benefit value based on a loan value added to an interest formula value.

Roberts is as discussed above. Burgess appears to describe a leveraged life insurance policy that ensures lender security, where the employee pays part of the premiums and collaterally assigns the policy as security for repayment of the loan from the employer (Abstract). Burgess indicates that the excess of the death benefit

over any loan principal from the employer remaining upon the death of the employee is a tax-free payment to the employee's beneficiaries (Abstract). So, Burgess provides that the leveraged life insurance policy can actually cause the death benefit to be reduced by the outstanding loan principal.

So, Roberts and Burgess cost the insured money. For example, in Roberts the insured pays money for the premiums on the policy. In Burgess, the life insurance policy is leveraged against a loan taken to pay at least part of the loan premiums.

Contrary to Roberts and Burgess, claim 26 of the present application recites a method that includes calculating a first death benefit value, where the first death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy in a commercial transaction outside an employee/employer context and a second death benefit value, where the second death benefit value is indexed to a value of a loan used to finance a payment of premiums due on the insurance policy. Claim 26 further recites adding a first death benefit value (i.e. beneficiary award) and a second death benefit value to produce a total death benefit that is greater than the first death value component. This allows the entire process for the present invention to come at no cost to the insured. The combination of Roberts and Burgess fails to teach or suggest, besides other things, this aspect recited in claim 26.

Accordingly, Roberts and Burgess, alone or in combination, do not contain each and every element of Applicant's independent claim 26. As such, the Applicant believes that independent claim 26 is in condition for allowance. Applicant respectfully requests consideration of the same upon review of this response.

Conclusion

Applicant respectfully submits that the claims are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at (612) 659-9340 to help facilitate prosecution of this application.

CERTIFICATE UNDER 37 CFR §1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: MS AF Commissioner for Patents, P.O. BOX 1450 Alexandria, VA 22313-1450, on this 23rd day of June, 2004.

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